

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0083-01
Bill No.: SB 152
Subject: Housing, Kansas City, and St. Louis City
Type: Original
Date: February 4, 2019

Bill Summary: This proposal creates a new fund where donations can be made via text message to help provide services for the homeless in Kansas City and St. Louis City.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Kansas City and St. Louis City for signs	(Unknown - Less than \$100,000)		
Total Estimated Net Effect on General Revenue	(Unknown - Less than \$100,000)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **City of St. Louis** state that according to the Director of the City's Information Technology Services Agency (ITSA), creating a site to manage a payment portal for a text-to-donate activity would have an estimated cost between \$30,000 and \$50,000 in the first year to buy or build a system. It would cost between \$5,000 and \$10,000 for annual maintenance.

The Department of Human Services estimates that it would cost between \$5,000 and \$10,000 annually to handle fiscal and programmatic tasks. The Department of Human Services was also unable to estimate potential revenue for this proposal.

Officials at the **City of Kansas City** assume a negligible negative fiscal impact on the City. Without addressing the merits of the legislation itself (which are laudable) there are mandates in subsections (2) and (3) that require a number of actions on the part of the City to facilitate the use of the donations. We also think that while subsection (4) purports to make a one-time appropriation for a pilot project, the appropriation only covers the promotional responsibilities. This small negative impact may end up being inconsequential.

Officials at the **Office of Administration's Division of Budget and Planning**, the **Missouri House of Representatives** and the **Missouri Senate** each assume no fiscal impact to their respective agencies from this proposal.

Oversight notes that the proposal states that "The general assembly shall make a one-time appropriation to each city in a sufficient amount to authorize each city to provide initial signage promoting a newly created text-to-donate fund." Oversight is unclear from the proposal when this will occur or how much will be appropriated by the General Assembly. Although it is up to the discretion of the General Assembly to make these decisions, Oversight will assume that the appropriation would be authorized in FY 2020 and will reflect a cost of (unknown - Less than \$100,000) in FY 2020.

Oversight also assumes, for fiscal note purposes that donations to the text-to-donate funds will be spent on services to the homeless in the year donations are made.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
GENERAL REVENUE FUND			
<u>Transfer out</u> - to appropriate funds for advertising text-to-donate programs	<u>(Unknown - Less than \$100,000)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(Unknown - Less than \$100,000)</u>	\$0	\$0

<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
CITIES OF ST. LOUIS AND KANSAS CITY			
<u>Transfer In</u> - funds to advertise the text-to-donate programs	Unknown - Less than \$100,000	\$0	\$0
<u>Income</u> - Donations to text-to-donate funds	Unknown	Unknown	Unknown
<u>Costs</u> - advertising the text-to-donate programs	Unknown - Less than \$100,000	\$0	\$0
<u>Costs</u> - Services to the Homeless paid from text-to-donate funds	(Unknown)	(Unknown)	(Unknown)
<u>Cost</u> - St. Louis City - Payment portal for text-to-donate activity	(\$35,000 to \$60,000)	(\$10,000 to \$20,000)	(\$10,000 to \$20,000)
<u>Cost</u> - Kansas City - Payment portal for text-to-donate activity	<u>(Minimal)</u>	<u>(Minimal)</u>	<u>(Minimal)</u>
ESTIMATED NET EFFECT ON THE CITIES OF ST. LOUIS AND KANSAS CITY	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This act creates a pilot program in Kansas City and St. Louis that creates a fund to provide services aimed at reducing the population of homeless persons in that city. This fund will be funded by donations made via text messages.

Each city that creates a fund shall be responsible for administering, promoting, securing donations to, and making distributions from the fund. Additionally, each city shall provide the phone number to which donations can be texted. Distributions from a city's fund shall only be made to pay for services aimed at reducing the homeless population of that city.

This act also requires the General Assembly to make a one time appropriation for the initial signage promoting these funds. This appropriation shall be in an amount adequate enough to purchase signage to be displayed in areas with a high population of homeless persons in such cities. Any further expenditures to promote a city's fund shall be paid out of the fund itself.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

St. Louis City
City of Kansas City
Office of Administration
 Division of Budget and Planning
Missouri House of Representatives
Missouri Senate



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February 4, 2019

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Assistant Director
February 4, 2019